

## Chapter 31

# Saskatchewan Immigrant Investor Fund Inc. – Operating HeadStart on a Home Program

### 1.0 MAIN POINTS

The HeadStart on a Home (HeadStart) program provides loans to homebuilders and developers to construct entry-level housing in Saskatchewan. Saskatchewan Immigrant Investor Fund Inc. (SIIF) is responsible for managing HeadStart.

By December 31, 2015, SIIF had implemented the recommendation we made in our *2014 Report – Volume 1* about HeadStart. It gave its staff guidance that clearly set out what it constituted as success of HeadStart, along with details on how to calculate and track these measures.

### 2.0 INTRODUCTION

SIIF, a wholly-owned subsidiary of Crown Investments Corporation of Saskatchewan (CIC), was established to operate HeadStart.<sup>1,2</sup> CIC appoints SIIF's Board members who are responsible for managing SIIF. SIIF engages Westcap Mgt. Ltd. (Westcap) to administer HeadStart.<sup>3</sup>

SIIF's mandate is to operate HeadStart in accordance with agreements with the Government of Canada under the federal *Immigration and Refugee Protection Regulations*.<sup>4</sup> Under the agreements, SIIF uses funds (allocations) from the federal Immigrant Investor Program to provide loans to homebuilders and developers for the construction of entry-level housing in Saskatchewan.

At December 31, 2014, SIIF had total assets of \$193.4 million (2013: \$167.6 million) and total liabilities of \$194.9 million (2013: \$165.1 million); for the year ended December 31, 2014, it had revenues of \$5.0 million (2013: \$4.6 million) and expenses of \$9.0 million (2013: \$3.4 million).<sup>5</sup>

This chapter describes our follow-up of management's actions on the recommendation we made in 2014.

In our *2014 Report – Volume 1*, Chapter 12, we concluded that for the year ended December 31, 2013, SIIF had, other than the following, effective processes to operate HeadStart to meet program objectives. SIIF needed to clearly define its performance measures, and document its methods for calculating these measures. We made one recommendation.

<sup>1</sup> [www.cicorp.sk.ca/funds/saskatchewan\\_immigrant\\_investor\\_fund](http://www.cicorp.sk.ca/funds/saskatchewan_immigrant_investor_fund) (2 February 2016).

<sup>2</sup> Cabinet established SIIF on October 6, 2010, through Order in Council 590/2010 issued under *The Crown Corporations Act, 1993*.

<sup>3</sup> SIIF engaged Westcap on July 15, 2011, to administer HeadStart.

<sup>4</sup> On February 11, 2014, the Government of Canada announced that it will no longer be taking funds into its Immigrant Investor Program. SIIF is expected to complete its mandate five years after the last Government of Canada Immigrant Investor Program allocation.

<sup>5</sup> Taken from SIIF financial records and 2014 audited financial statements.



To conduct this review engagement, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance*. To evaluate SIIF's progress towards meeting our recommendation, we used the relevant criteria from the 2014 audit. SIIF agreed with the criteria in the 2014 audit. We based our findings on discussions with management as well as examination of key documents.

## 3.0 STATUS OF RECOMMENDATION

This section sets out the status of the recommendation at December 31, 2015, and SIIF's actions up to that date. At January 2016, the Standing Committee on Crown and Central Agencies had not considered this recommendation. By December 2015, SIIF had implemented the recommendation.

### 3.1 Performance Measures Defined and Methods Documented

We recommended that the Saskatchewan Immigrant Investor Fund Inc. clearly define its performance measures and document its methods for calculating these measures. (2014 Report – Volume 1; Standing Committee on Crown and Central Agencies has not yet considered this recommendation)

**Status** – Implemented

In spring of 2014, Westcap implemented guidance for staff that clearly defined the performance measures used to evaluate and determine the success of HeadStart. Key performance measures included the number of HeadStart housing units sold, the number of jobs created by HeadStart projects, and the amount of funds repaid to the federal Immigrant Investor Program.

We found the guidance for each measure defined the measure, identified the source of data, set out expected frequency of calculations, and assigned responsibility for updating, verifying, and reviewing the data and calculations. For example, for the number of HeadStart housing units sold:

- › **Definition:** the number of housing units sold to owners occupying the unit and to owners who will rent the unit
- › **Source of data:** from monthly status reports Westcap obtained from each builder
- › **Frequency of calculation:** monthly
- › **Responsibility for updating, verifying, and reviewing data and calculation:** Westcap's analyst tracks the data, and the Senior Commercial Lender and Vice President verify and review the data and calculations

We found Westcap reported, each quarter, HeadStart results to the SIIF Board for its review.

We tested whether Westcap followed its guidance in preparing the report to the SIIF Board at June 30, 2015. We found Westcap calculated the performance measures using supporting data as expected. At June 30, 2015, SIIF was on track to achieve its 2015 plan. For example, in the first six months of 2015 (by June 30, 2015):

- › 148 housing units were sold as compared to its 2015 target of 300 HeadStart housing units to be sold
- › 124 jobs were created to construct HeadStart housing units as compared to its 2015 target of 150 jobs
- › 647 housing units were under construction and 1,167 housing units were constructed (totalling 1,814) as compared to its overall target of constructing 1,500 entry-level housing units by December 31, 2016

